

Meeting of the Federal Open Market Committee August 13, 2002 Presentation Materials -- Text Version

[Presentation Materials \(357 KB PDF\)](#)

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Appendix 1: Materials used by Mr. Kos

Page 1

Top panel

Title: Current Deposit Rates and Rates Implied by Traded Forward Rate Agreements

Series: U.S. and Euro-area LIBOR fixing; U.S. and Euro-area 3-month forward rate agreement; U.S. and Euro-area 9-month forward rate agreement

Horizon: April 1, 2002 - August 9, 2002

Description: U.S. and Euro-area rates decline over the period.

Source: Bloomberg

Bottom panel

Title: Current Deposit Rates and Rates Implied by Traded Forward Rate Agreements

Series: Japanese LIBOR Fixing; Japanese 3-month forward rate agreement; Japanese 9-month forward rate agreement

Horizon: April 1, 2002 - August 9, 2002

Description: Japanese LIBOR and 3-month forward rate agreements steady, 9-month forward agreement rate declines modestly.

Source: Bloomberg

Page 2

Top panel

Title: Weekly Investment-Grade Corporate Bond Issuance

Series: Investment-grade corporate bond issuance as reported by International Financing Review.

Horizon: 2001 and 2002 year-to-date

Description: Recent bond issuance lower than 2001 levels.

Source: International Financing Review

Middle panel

Title: Investment-Grade Spreads over Treasuries

Series: The Lehman Index option-adjusted spread

Horizon: April 1, 2002 - August 9, 2002

Description: The investment-grade spread over Treasuries widened significantly from June to August, 2002.

The Lehman Index Option-Adjusted Spread did not exceed 150 basis points until 1999 and did not exceed 200 basis points until 2002.

Source: Lehman Brothers

Bottom-left panel

Title: Corporate Debt: Spreads over Treasuries

Series: Ford Motor Credit Co. 7.25% 10/25/11 spread to 10-year U.S. Treasury; GMAC 7.2% 1/15/11 spread over 10-year U.S. Treasury

Horizon: July 23, 2002 - August 9, 2002

Description: Spread on Ford Motor Credit and GMAC securities shown widened over the period.

Source: Lehman Brothers

Bottom-right panel

Title: Corporate Debt: Corporate Debt Bid/Ask Spreads

Series: Ford Motor Credit Co. 7.25% 10/25/11 bid/ask spread; GMAC 7.2% 1/15/11 bid/ask spread

Horizon: July 23, 2002 - August 9, 2002

Description: The bid/ask spread of the Ford Motor Credit and GMAC securities shown widened over the period.

Source: Lehman Brothers

Page 3

Top panel

Title: Implied Volatility on the S&P 100 (VIX Index)

Series: The VIX Index

Horizon: April 1, 2002 - August 9, 2002

Description: Implied volatility on the S&P 100 increased over the period.

Source: Bloomberg

Middle panel

Title: Short- and Intermediate Swaption Volatility Index

Series: Lehman Brothers short- and intermediate swaption volatility index

Horizon: April 1, 2002 - August 9, 2002

Description: Short- and intermediate swaption volatility increased of the period.

Source: Lehman Brothers

Bottom panel

Title: G-3 Currency 1-Month Option-Implied Volatility

Series: Dollar-yen, euro-dollar, and euro-yen 1-month option-implied volatility

Horizon: April 1, 2002 - August 9, 2002

Description: Volatility implied by 1-month options on dollar-yen, euro-dollar, and euro-yen currency pairs decline following a rise in June and early July.

Source: UBS Warburg

Top panel

Title: U.S. Dollar v. Currencies

Series: U.S. dollar appreciation or depreciation against the Japanese yen, Canadian dollar, Australian dollar, euro-dollar, and Swiss franc.

Horizon: April 1, 2002 - August 9, 2002

Description: The U.S. dollar appreciated against the Australian dollar and Canadian dollar, but depreciated against the Swiss franc, euro-dollar, and Japanese yen.

Source: Bloomberg

Middle panel

Title: Global Equities

Series: The Nikkei index, S&P 500 index, DAX index, CAC index, and TSX index.

Horizon: April 1, 2002 - August 9, 2002

Description: Major global equity indices declined over the period.

Source: Bloomberg

Bottom panel

Title: Global Government Yield Curves (10-year minus 2-year)

Series: U.S., Canadian, U.K., German, and Japanese yield curve spreads.

Horizon: April 1, 2002 - August 9, 2002

Description: U.S., Canadian, and U.K. yield curves steepened, while the German and Japanese yield curves were little changed.

Source: Bloomberg

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